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C O N F I D E N T I A L SECTION 01 OF 02 ADDIS ABABA 002234

SIPDIS

DEPT FOR THOMAS-GREENFIELD, AF/RSA EPSTEIN, EAP/CM CARTIN,  
INR/B

E.O. 12958: DECL: 08/11/2028

TAGS: [PGOV](#) [PREL](#) [ECON](#) [PINR](#) [EAID](#) [ET](#)

SUBJECT: ETHIOPIA/CHINA: DEPARTING PRC ECONOMIC COUNSELOR  
PRESSES FOR COOPERATION

REF: ADDIS ABABA 1197

Classified By: CDA Deborah Malac. Reasons 1.4(b) and (d).

Summary

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11. (C) Noting that he would soon depart for a new assignment in Monrovia, PRC Economic and Commercial Counselor in Ethiopia Liu Yunbiao told Emboffs that his office would continue to pursue opportunities for cooperation with the United States in Ethiopia, as well as Liberia. Liu observed his views on Ethiopia's development, and noted that Addis Ababa appears to be overemphasizing infrastructure development and comparatively neglecting the agricultural sector. He stressed food security is vital for Ethiopia's prosperity. Chinese high-tech firm Huawei has had unexpected difficulties promoting its business in Ethiopia. Given Liu's clear message that the PRC Economic and Commercial Office is willing to cooperate with Embassy Addis Ababa on appropriately-identified projects, Embassy Addis Ababa will continue to seek opportunities to pursue this diplomatic opening. End Summary.

12. (C) PRC Economic and Commercial Counselor in Ethiopia Liu Yunbiao invited Embassy Addis Ababa Information Officer, Deputy Political Economic Chief, and Economic Officer to dinner at his offices on August 9. PRC Economic and Commercial Office Third Secretary Lu Qiang and his wife, Economic and Commercial Officer Attache (Ms.) Wang Mingli also attended. Wang works for China's Central Bank, but is on loan to MOFCOM in order to be placed in Addis with Lu. The PRC Economic and Commercial Office is located near Pushkin Square, in a different neighborhood than the PRC Embassy.

Liu Headed to Liberia

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13. (C) Noting that he was aware Deputy PE Chief had served in Monrovia (2005-2007), Liu announced that he would soon depart Ethiopia for a new assignment in Liberia. Pressed for an exact date of departure, he said only that he would leave Addis Ababa once his successor arrived. He said he would welcome opportunities for PRC-USG cooperation in Liberia. He acknowledged Liberia still has stability challenges, but appeared to be upbeat about his assignment. Given the opportunity to ask, Liu did not have many specific questions about the country or USG policy there, and stuck to generalities such as food and weather. Curiously, PRC Embassy contacts uniformly declined an invitation to an

informal gathering at an Emboff's house to watch the Olympics with USG and other foreign mission counterparts.

#### Liu's Conclusions On Ethiopia

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¶4. (C) In a wide-ranging conversation, Liu observed that Ethiopia appears to be overemphasizing infrastructure development and comparatively neglecting agricultural development. He cited chronic food insecurity as Ethiopia's greatest economic challenge and said Ethiopia needs irrigation systems and better agricultural seeds, technology and techniques to improve yields and mitigate the adverse effects of cyclical droughts. A recent Chinese delegation, he said, proposed selling affordable low-tech pumps to assist Ethiopian farmers with access to groundwater, and also noted that Ethiopians could improve their grain yields twelve-fold by planting greater quantities of millet. He remarked that Diaspora investment concentrates disproportionately on retail and real estate businesses, rather than on agriculture and other critical sectors. Ethiopia has considerable population pressures, Liu added, that could harm the overall economic outlook if not brought under control. "It is important," he said, "that (the Ethiopia government) improves the quality of life for the existing generation."

#### Huawei Frustrated

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¶5. (C) Liu said that Chinese high-tech firm Huawei "is a sad story" in Ethiopia, adding that the company "has people (in

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Addis) but they are waiting for work. Usually they are more successful in Africa." Telecommunications firm Zhongxin Telecommunication Equipment Company Limited (ZTE) deploys engineers to towns throughout Ethiopia to work on local systems, but the engineers are based in Addis Ababa, Wang noted. Chinese companies "are not permitted" to open businesses in smaller cities and towns such as Harar and Dire Dawa, Wang added. Security for expatriates in Ethiopia is beginning to decline, although the Chinese population has yet to be significantly affected, Wang said.

#### Opportunities for USG-PRC Cooperation

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¶6. (C) Liu expressed regret that, due to his imminent departure, he would not be able to further develop USG-PRC cooperation in Ethiopia in the three areas identified by Ambassador Yamamoto: agriculture, trade and volunteerism (reftel). Liu said he had many ideas that he would like to have seen implemented. For example, he suggested that he would like to see PRC and Peace Corps volunteers team up to deliver health services in rural areas with mobile clinics, and noted that the volunteers could co-brand such an effort by wearing Chinese and American flag patches on their shirts.

#### Bio Note: Liu Yunbiao

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¶7. (C) Counselor Liu's home office is the Ministry of Commerce (MOFCOM). At some point prior to his assignment to Ethiopia, he spent five years in Libya. He said he first toured Africa in the eighties, with brief visits to Mali, Benin and Togo. Liu said he is an avid cook and enjoys making soup. He is originally from Hebei province. He does not speak English. Liu provided contact information for the Economic and Commercial Office in Congotown, Monrovia, Liberia: Tel: (231) 6 555000, Fax: (231) 7 7059656, where he can be reached when he assumes his new post.

#### Comment

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¶8. (C) Liu is engaging and earnest in person. It is

relatively rare for a senior PRC diplomat to invite non-counterparts for a formal dinner, however the pretext appeared to be the Liberia nexus. Liu's clear message, however, was that the PRC Economic and Commercial Office is willing to cooperate on appropriately-identified projects with the Embassy here in Addis Ababa and perhaps in Monrovia.

Embassy Addis Ababa will continue to seek opportunities to pursue this diplomatic opening. End Comment.

MALAC